

## DEPARTMENT OF FINANCE BILL ANALYSIS

**AMENDMENT DATE:** Original  
**POSITION:** Oppose  
**SPONSOR:** Professional Engineers in California  
Government and California Association of  
Professional Scientists

**BILL NUMBER:** SB 270  
**AUTHOR:** E. Hernandez  
**RELATED BILLS:** AB 1699 of 2010

### **BILL SUMMARY:** State Employees: Compensation

This bill, an urgency statute, would provide for a continuous appropriation from the General Fund and any other funds from which state employees are compensated until the Budget Act for that fiscal year is enacted.

### **FISCAL SUMMARY**

While this bill would not generate additional costs for the state, it would reduce the Administration's flexibility in managing limited cash reserves in the absence of an approved state budget.

### **COMMENTS**

The Department of Finance is opposed to this bill for the following reasons:

- The state has contracts with 15 of its 21 bargaining units and has recently reached tentative agreements with the remaining 6, which include provisions to continuously appropriate funds for all financial terms of the agreements for their duration. This bill would permanently establish an employee benefit that should be negotiated as part of collective bargaining.
- This bill would reduce the Administration's options and flexibility in managing limited cash reserves in the absence of an approved state budget.

Specifically, this bill also provides:

- If an MOU is in effect that has been approved by the Legislature, the compensation for represented state employees shall be at a rate consistent with the MOU's provisions.
- If an MOU is in effect, the compensation for state employees excluded from collective bargaining will be at the rate approved by DPA prior to the start of the fiscal year in which the Budget Act has not been enacted.
- If no MOU is in effect and DPA has not approved compensation for state employees excluded from collective bargaining, compensation for represented state employees and state employees excluded from collective bargaining shall be at the rate in effect as of the last fiscal year for which a budget was enacted.
- Finance would be allowed to reduce applicable Budget Act allocations by the amounts drawn in the absence of an approved state budget.

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Analyst/Principal (0932) K. Martone	Date	Program Budget Manager Diana Ducay	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

**BILL ANALYSIS** Form DF-43 (Rev 03/95 Buff)

**BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)****Form DF-43****AUTHOR****AMENDMENT DATE****BILL NUMBER**

E. Hernandez

Original

SB 270

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							
	LA	(Dollars in Thousands)							
	CO	PROP							Fund
	RV	98	FC	2010-2011	FC	2011-2012	FC	2012-2013	Code
9901/Var Depts	SO	No	-----	See Fiscal Summary				-----	0001
9901/Var Depts	SO	No	-----	See Fiscal Summary				-----	0494
9901/Var Depts	SO	No	-----	See Fiscal Summary				-----	0988

Fund CodeTitle

0001

General Fund

0494

Other - Unallocated Special Funds

0988

Other - Unallocated NGC Funds